

Appl. No. 09/781,755

REMARKS

Continued examination and reconsideration of this application is respectfully requested in view of the following remarks. Claims 1-20 are pending in this application.

1. Status of the Claims

Minor amendments have been made to claims 1 and 14. Claims 16-20 have been added. Support for the amendments and new claims is found in the application as originally filed, including, for example, as follows:

claims 1, 14 and 17-18, page 4 line 22 through page 5 line 7 and page 5, lines 15-19;

claim 16, page 7 lines 5-11; and

claims 19-20, page 8 lines 18-21.

2. Prior Art Rejection

The Examiner rejected claims 1-15 under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 6,016,480 to Houvener et al., (Houvener) in view of U.S. Patent No. 5,568,177 to Talvalkar et al., (Talvalkar). Applicant respectfully traverses this rejection on the grounds that Houvener and Talvalkar, either alone or in combination, fail to disclose, teach or suggest the subject matter of claims 1 and 14 and all claims depending therefrom.

It is respectfully submitted that Houvener has no disclosure whatsoever even remotely pertaining to any of the recited claim elements. This is not surprising as Houvener discloses a fraud prevention system which ascertains the identity of a customer returning an article of merchandise as opposed to ascertaining the sales history of a returned merchandise item. The system includes input devices at the point of return such as 1) a magnetic strip reader to identify a person from a credit card or driver's license, 2) a bar code reader for reading barcode-based identification cards, and 3) a numeric key pad for manually entering an identification number (*i.e.*, social security number, driver's license number or credit card number) into the

Appl. No. 09/781,755

system. Once the return customer's identification information is obtained, the point of return clerk sends this identification data to a remote database which retrieves images of the customer and/or other merchandise return history data regarding the customer. This data is displayed on the clerk's point of return terminal. The clerk is thereby able to make a near real-time determination whether the return is fraudulent. Houvener, cols. 3-6, FIG. 5.

Houvener has no disclosure whatsoever pertaining to any of the recited elements—namely, a retail item label lacking a post-purchase indicia, a point of sale encoding device which provides a post-purchase indicia on a label or a detecting device for analyzing the label. Houvener's input devices merely disclose conventional customer identification technologies. Houvener has no disclosure or suggestion whatsoever pertaining to a device that identifies or otherwise scans a retail item or a retail item label. Houvener's magnetic strip reader and/or a bar code reader, for example, do not remotely suggest an encoding device for providing a machine-readable post-purchase indicia on a label. Houvener also lacks any disclosure regarding a retail item label or a detecting device for analyzing the label. Nor does Houvener teach or suggest a machine readable only (claim 2) or an invisible (claims 3 and 16) post-purchase indicia system.

Similarly, Talvaskar fails to teach or suggest any of the recited claim elements. Talvaskar merely discloses a bar code symbol having predetermined portions coated with a magnetic material. Talvaskar, col. 1 lines 48-57. The magnetic material is incorporated onto the bar code symbol when the bar code symbol is printed. *Id.*, col. 2 lines 54-57. Thus, the magnetic material is always present (and detectable) on the bar code symbol—both before the merchandise item is purchased as well as after the item is purchased. *Id.*, col. 1 lines 54-57. Talvaskar's magnetic bar code thereby teaches away from the recited label which lacks a post-purchase indicia before the purchase of a retail item and acquires a post-purchase indicia at the point of sale. Teaching away is a *per se* demonstration of lack of prima facie obviousness. *In re Dow Chemical Co.*, 837 F.2d 469 (Fed. Cir. 1988). As Talvaskar teaches away from the recited label, Talvaskar consequently cannot teach or suggest a detecting device for determining whether a post-purchase indicia is present on the label. Furthermore, Talvaskar has no disclosure whatsoever

Appl. No. 09/781,755

regarding a point of sale encoding device which provides a post-purchase indicia on the label during purchase by a customer.

Combining the teachings of Houvener with the teachings of Talvalkar fails to supply the deficiencies of either reference. Houvener fails to disclose any element of the claimed invention. Talvalkar teaches away from a retail item label lacking a post-purchase indicia and is absolutely silent regarding a point of sale encoding device as well as a detecting device to determine whether a post-purchase indicia is present on the label. Thus, combining these references fails to disclose, teach, or remotely suggest any element of the recited claims. As each individual reference fails to teach or suggest any recited element, a combination of the references simply cannot teach or suggest the invention as recited in the present claims.

Attached hereto is a marked-up version of the changes made to the claims by the current amendment. The attached page is captioned "**Version with markings to show changes made.**"

CONCLUSION

In view of the foregoing, claims 1-20 are allowable and an early indication of allowance is solicited.

Respectfully submitted,



James D. Ryndak
Registration No. 28,754

Date: February 11, 2003

RYNDAK & SURI
30 N. LaSalle Street
Suite 2630
Chicago, IL 60602
(312) 214-7770

FAX RECEIVED

FEB 11 2003

TECHNOLOGY CENTER 2800

Appl. No. 09/781,755

VERSION WITH MARKINGS TO SHOW CHANGES MADE

The claims have been amended as follows.

1. (Amended) A system for verifying the purchase of a retail item by a customer comprising:

a label associated with the retail item, said label lacking a post-purchase machine-readable indicia;
a point of sale encoding device, said encoding device providing a machine-readable post-purchase indicia associated with the label [when the label is scanned] during purchase by the customer; and
a detecting device for analyzing the label to determine whether the post-purchase machine-readable indicia is present.

14. (Amended) A method for verifying the purchase of a retail item by a customer comprising:

providing a label associated with the retail item, said label lacking a machine-readable post-purchase indicia;
encoding a machine-readable post-purchase indicia [onto] associated with the label by a point of sale encoding device when the item is purchased [said label is scanned during purchase] by the customer; and
analyzing said label with a detecting device to determine whether the machine-readable post-purchase indicia is present.

New claims have been added as follows.

Appl. No. 09/781,755

16. The method of claim 14 wherein the encoding of the post-purchase indicia produces an invisible post-purchase indicia.

17. The system of claim 1 wherein said encoding device provides the machine readable indicia when the label is scanned during purchase.

18. The system of claim 14 wherein the encoding is performed when the label is scanned during purchase.

19. The system of claim 1 wherein the post-purchase indicia is removable after the retail item is exchanged or refunded.

20. The method of claim 14 wherein the post-purchase indicia is removable after the retail item is exchanged or refunded.